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USDOC FOR 532/OEA/M. NICKSON-DORSEY/JAY HATFIELD USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL USDOC FOR 4530/MAC/ANESA/OSA ICE HQ FOR STRATEGIC INVESTIGATIONS STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: ETTC ETRD BEXP IN

SUBJECT: EXTRANCHECK: PRE-LICENSE CHECK: KRISHAK BHARTI COOPERATIVE LTD, HAZIRA, SURAT, GUJARAT, LICENSE NO. D364825

REF: USDOC 05893

- $\underline{\P}1$. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.
- 12. Export Control Officer (ECO) Michael Rufe and BIS FSN Prem Narayan conducted a Pre-license Check (PLC) at Krishak Bharati Co-operative Limited (Kribhco), Hazira, Surat, Gujarat on December 1, 2006.
- ¶3. BIS requested a PLC at Kribhco, a Public Sector Undertaking (PSU) under the administrative control of the GOI Department of Fertilizer, located at: P.O. Kribhco Nagar, Hazira, Surat, Gujarat 394515, Website: www.kribhco.net. Kribhco was listed as the Ultimate Consignee; Emerson Process Management India (Emerson), Daman, UT as the Foreign Purchaser and Intermediate Consignee for one oxygen analyzer controlled under EAR99. The license applicant was Rosemount Analytical (Rosemount), Solon, OH.
 ¶4. The ECO met for approximately 2 hours with P.W. Shah (Shah),
- 14. The ECO met for approximately 2 hours with P.W. Shah (Shah), Senior General Manager, M.R. Patel (Patel), General Manager (Commercial), C. Viswanathan, General Manager (F&A), I.L. Mistry, General Manager (Pers. & Admn.) and P.K. Soneji (Soneji), Joint General Manager (Materials), Kribhco. Under Secretary (AMS) Prashant Agrawal (Agrawal), Ministry of External Affairs (MEA), GOI, facilitated the meeting. Agrawal was also present in the meeting.
- 15. Kribhco officials were not aware of the BIS regulations. This was the first USG or BIS official visit to Kribhco. They provided a copy of the Kribhco corporate brochure, Kribhco Inquiry to Emerson to purchase spares for oxygen analyzer, Emerson Quotation, Kribhco Purchase Order to Emerson, Form BIS-711, Kribhco End User Undertaking and Certificate. Per reftel, Rosemount applied for BIS export license to export a complete unit of oxygen analyzer. Kribhco officials, referring to their Purchase Order, clarified that they would only purchase two components, the microprocessor and sensor as spares for three already functional oxygen analyzers installed at Kribhco Plant II.
- 16. Per reftel, Kribhco makes heavy water at the ammonia extraction portion of this fertilizer plant. The ECO inquired on several occasions as to what other products Kribhco manufactures other than urea fertilizer. The officials stated that Kribhco is 100 percent into fertilizer manufacturing with excess ammonia as a by-product. An on-line search did not find heavy water as a Kribhco product.
- ¶7. Soneji stated that the two components on order, sensors and microprocessor would be kept as spares for the three oxygen analyzers functioning at the Kribhco Ammonia Plant-II. The ammonia gas is mixed in the reformer furnace at a temperature of approximately 1,000 degrees Celsius with carbon dioxide along with

fresh air for making the final product of urea. The oxygen analyzers are used to measure the oxygen level in the flue gas. The flue gas is the burnt gas coming out of the reformer furnace. The waste gas contains oxygen, nitrogen, and carbon dioxide. He stated that the oxygen level in the flue gas should be in the range of 2-3 percent. If the oxygen level in the flue gas is above or below 2-3 percent then monthly adjustments are made to bring it to the required level to produce safe, efficient, combustion. The ECO was given a tour of the Ammonia Plant-II where all three oxygen analyzers were installed and functioning. Soneji explained the process as to how the analyzers are used.

- 18. Established in 1986, Kribhco is one of the leading fertilizer manufacturing PSUs under the administrative control of the GOI's Department of Fertilizer. Kribhco manufactures urea and ammonia at its plant in Hazira, Surat, Gujarat and bio-fertilizers at its two other factories located in Varanasi and Lanja, Uttar Pradesh. The Kribhco Hazira complex has 2 streams of ammonia plant and 4 streams of urea plant. In addition, Kribhco has 10 seed processing plants across the country and markets and sells its products through 65 Krishak Bharati Seva Kendra which are Indian farmers' support centers. Kribhco employs approximately 2,000 personnel across the country.
- 19. Recommendation: Post recommends Krishak Bharti Cooperative Ltd. as a reliable recipient of the controlled U.S. origin commodities. All indications are that the listed commodities will be used in accordance with U.S. export control regulations (MKRUFE) Mulford